

FISCAL NOTE

SB 150 - HB 88

February 13, 2007

SUMMARY OF BILL: Sets a July 1, 2015 deadline to carry out the current intent of the General Assembly that all county seats be connected by a four-lane highway to the nearest interstate highway by the shortest route available over an existing state or federal highway.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures:

Exceeds \$492,000,000 per year for eight years / Highway Fund

Assumptions:

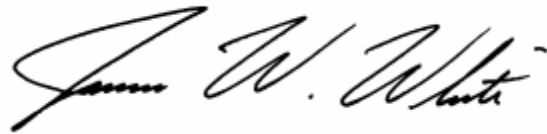
- The above project is currently stated as intent of the General Assembly in T.C.A. 54-5-102 (b).
- 60 county seats are either already connected to interstate highway by a four-lane highway, construction is in progress and already funded, or construction has not yet begun but funding has been made available.
- According to TDOT, none of the remaining 35 projects have been identified as projects that would be constructed within the department's current 3-year plan. In addition, TDOT estimates that no more than 5 of these projects would be connected prior to the July 1, 2015 deadline, in the absence of this bill.
- According to TDOT, the total cost for connecting all 35 county seats will require additional funding estimated to be approximately \$4.6 billion.
- Average project cost is estimated to be \$131,429,000 (\$4.6 billion ÷ 35 projects = \$131,428,571).
- The total cost for connecting the remaining 30 projects, that would not be completed by the July 1, 2015 deadline in the absence of this bill, is estimated to be \$3,942,870,000 (\$131,429,000 X 30 remaining projects = \$3,942,870,000).
- Annual estimates have been made in current dollars, which assumes zero inflation for construction labor and materials.

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- Construction costs are estimated to exceed \$492.0 million per year (\$3,942,870,000 total cost ÷ 8 year limitation = \$492,858,750 per year).
- Therefore, the increase to state expenditures is estimated to exceed \$492,000,000 per year for eight years.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director